GOVERNMENT OF INDIA
COMMERCE AND INDUSTRY
LOK SABHA

UNSTARRED QUESTION NO:798
ANSWERED ON:22.11.2002
PROBLEMS OF TEA INDUSTRY
SURESH KURUP

Will the Minister of COMMERCE AND INDUSTRY be pleased to state:

(a) whether the Government have received any communication from the Kerala Government regarding the serious situation prevailing in the tea plantations in the State;

(b) if so, the details thereof; and

(c) the action taken by the Union Government to help the tea sector in Kerala?

Answer

MINISTER OF STATE IN THE MINISTRY OF COMMERCE AND INDUSTRY (SHRI RAJIV PRATAP RUDY)

(a)&(b): The Government of India has received representations from the Government of Kerala highlighting the problems being faced by the plantation sector, including tea. With regard to tea, the requests of the State Government included, abolition of excise duty on tea and increase in import duty.

(c) Government of India has taken several measures to assist the tea sector in the country, including Kerala. These measures include:

- Reduction in excise duty on tea from Rs. 2.00 per kg to Rs. 1.00 per kg. From 2002-03 onward.

- Increase in import duty on tea from 70% to 100%.

- Increase in the deductible allowance under Section 33AB of the Income Tax Act from 20% to 40% with the aim to encourage rejuvenation, replantation and modernization in tea plantations for the long term development of this sector.

- Announcement of an RBI relief package providing for restructuring/reschedulement of the loans outstanding in the tea sector from the commercial banks.

- Implementation of a quality upgradation programme to improve the quality of the tea produced which would also enable the grower to get better prices.

- Implementation of a factory upgradation Scheme for encouraging production of good quality orthodox and non reconditioned CTC teas which have a greater demand in the world market.

- Implementation of a medium term export strategy to promote exports of Indian tea.